



OFFICE OF THE
Auditor General
of British Columbia

**2000/2001
Business Plan**

January 2000

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our vision

*Making a difference for the people
of British Columbia by contributing
to accountable and well-performing
government*

our mission

*To serve the Legislative Assembly
and the people of British Columbia
by providing independent assessments
and advice that enhance government
accountability and performance*



Overview of Program Activities and Outcomes

NEEDS: The Legislative Assembly and the people of British Columbia want government to be accountable and well-performing. The Office of the Auditor General provides independent assessments and advice that enhance government accountability and performance.

INPUTS:

Performing Effectively as an Office:

- Independence
- Mandate and Mission
- Management direction, accountability
- Competent, professional staff
- Required tools and information
- Responsibility, efficiency, integrity

ACTIVITIES:

Assessing Government Accountability and Performance:

- Attest to fairness of accountability information
- Assess performance

Advising on Government Accountability and Performance:

- Advise on accountability
- Advise on performance
- Management services

OUTPUTS:

Opinions, Assessments,
and Observations

Analysis and
Recommendations

IMMEDIATE OUTCOMES:

Users get independent, expert
assurance about government
accountability information and
reliable assessments of performance

Users get independent, expert
advice on how to improve
government accountability
and performance

INTERMEDIATE OUTCOMES:

Users rely on accountability
information and performance
assessments to make informed
judgements and decisions

Users accept and implement
recommendations for improvement

ULTIMATE OUTCOME:

Enhanced government
accountability and performance

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Message from the Auditor General

This Business Plan lays out the Office's operating plans for 2000/2001, describes some of the challenges facing the Office in the coming year, and suggests ways of dealing with these challenges.

Over the past few years, I have become increasingly concerned about the widening gap between the audit coverage legislators need to fulfill their governance obligations, and the audit coverage they receive. I believe the current level of audit coverage is insufficient and leaves legislators at significant risk.

The people of the province, through their elected representatives in the Legislative Assembly, entrust the government with its powers and resources. Public confidence in our political institutions depends in large measure on the ability of the Legislative Assembly to demonstrate that it is holding the government fully accountable for managing provincial finances with integrity, spending money wisely, and conducting public business properly.

As the Legislature's auditor, the Auditor General serves the accountability relationship between the Legislative Assembly and government—representing primarily the interests of MLAs and the public they represent. A robust and effective audit process assists legislators in meeting their governance responsibilities by providing information and assessments about the fairness of management representations on performance, or about actual performance where management does not make representations.

Auditing accountability and performance in the public sector has become more and more challenging. Legislators and the public continue to seek more meaningful information about the results achieved by government and its programs. Government is moving to new models of service delivery, such as regionalization, public/private partnerships, contracting for service delivery, and e-commerce. Downsizing has resulted in weaker system controls. Each and all of these factors have increased the need for audit.

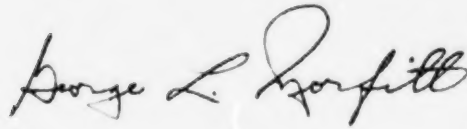
Over the past few years, constraints placed on the resources available to my Office have eroded its ability to provide audit services to the Assembly. The level of coverage needed today is considerably greater than the level being provided. I believe that current audit levels do not provide the information or levels of assurance necessary for members of the Legislative Assembly to discharge their governance responsibilities.

This Business Plan sets out the funding required to enable my Office to merely continue its current work program, and illustrates how legislators would benefit from an increased level of audit coverage. I have estimated the annual incremental investment required to provide an acceptable level of audit coverage to be \$1.08 million. This would restore our overall funding, from both appropriation and fees, to a level that allows us to resource to the extent we were able to ten years ago.

The Business Plan also describes the need to update the Auditor General Act. I believe modern legislation that provides a solid base for the audit services needed by legislators and the public is now overdue, and I have been working to rekindle interest in this issue in recent months. One provision of the legislative proposal we are putting forward is to have my Office coordinate audit activity throughout the British Columbia government. This would provide legislators, at little cost, with the confidence that audits carried out on behalf of the members of the Legislative Assembly properly meet their needs.

I have also become concerned about the ability of the Office to maintain and protect its human capital. The Office is experiencing high levels of turnover in the entry- to mid-level ranks. We are finding that the talent we have attracted and trained is moving out, not only to other government jobs, but also out of government completely, and in all cases to higher paying jobs. In the meantime, the senior management cadre, while stable, is moving towards retirement over the next five to ten years. The continued success of the Office in the future depends on our ability to attract and retain young competent professional staff, and to compete in the job market. I am aware that government in general is having some trouble attracting financial and management staff. This concern will need to be addressed.

I believe the Office will, if given the resources needed, continue to serve the Legislative Assembly and the people of the province well and, in doing so, will make an important contribution to well-performing, accountable government.



*George L. Morfitt, FCA
Auditor General*

*Victoria, British Columbia
January 2000*



Overview of the Plan

Strategic Issues

Providing Sufficient Audit Coverage

- The plan recognizes we have reached, and in fact passed, the limits of our resources, and that we need to establish better audit coverage for the Legislative Assembly. We need a stronger presence for many government sectors, for key control systems, and for functions such as human resource management.

Updating the Auditor General Act

- A key objective of the plan is to have a new Auditor General Act introduced and passed, which clarifies our mandate, supports our operational independence, and enhances our accountability.

Managing our Human Capital

- The Office will develop a human resource plan which encompasses strategies for recruitment, remuneration, training and development, talent retention, morale and succession planning.

Operational

- The Office has approximately 83,000 audit hours available for the year. 52,000 hours will be devoted to attest audits of financial statements and other information provided by management. Approximately 31,000 hours will be devoted to audits of performance, compliance, and financial and management controls. In addition, approximately 6,000 hours will be devoted to advisory services, including recommendations arising from our audits, management services, and work on the accountability framework.
- Approximately 100 financial statement audits will be delivered by the Office, of which 9 will be carried out on an agency basis by private sector auditors.
- We will conduct operational audits in several government sectors during the year. However our depth and breadth of coverage in these sectors will be very limited.
- We will continue with our plan to examine certain key government financial information systems in the coming year. However, they represent only a small fraction of the systems identified by the government.
- We will review our audit processes and methodologies.
- We will review our support services, to identify efficiencies.
- We will work to improve morale and quality of work life.
- We will upgrade our information and accounting systems.

About the Office

Mandate

The Legislative Assembly of British Columbia has provided a legal framework within which the Auditor General functions. The Auditor General Act (1976) sets out the authority, power and duties of the Auditor General.

Our work, as mandated by the Act, is designed to meet the needs of the Legislative Assembly for audit information and assurance about government operations and accountability. Our corporate plan sets out three core activities in carrying out our mandate:

- Assessing government accountability and performance
- Advising on government accountability and performance
- Performing effectively as an Office

Audit Resources (Budgeted)			
	2000/01	1999/2000	1998/99
Appropriation from the Legislative Assembly	\$6,923,000	\$6,923,000	\$6,726,000
Audit fee revenue	\$1,200,000	\$1,200,000	\$900,000
Authorized Full-Time Equivalent (FTE) employees	95	95	95
Actual Full-Time Equivalent employees	84	86	88

Outcomes and Outputs

Our primary intended outcome is enhanced government accountability and performance. Many people benefit from the work we do, including those who rely on our work, such as legislators and the public, those whose work we audit, such as government managers, and those with whom we share public sector interests, such as the auditing profession and the academic community. However our work is directed primarily to the needs of the Legislative Assembly, to whom we report.

In order to achieve our outcome, we:

- Audit the financial statements of the government and its organizations.
- Assess whether government has made good use of public resources.
- Assess whether government has complied with legislation and related authorities governing its activities, and has met standards for the proper conduct of public business.
- Provide recommendations to improve the way government programs are managed and delivered, and to improve accountability practices.
- Deliver management advisory services on a limited scale, primarily on issues of management, accountability and governance.



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our business plan, 2000–2001

Our Business Plan is in two parts:

- Part I sets out the challenges facing the Office (our strategic issues)
- Part II describes the ongoing operational work we will undertake in the year ahead.

Part I—Strategic Issues

Providing Sufficient Audit Coverage

The Challenges

The biggest challenge facing the Office in the coming years will be how to provide an adequate level of audit coverage across government. We believe an adequate level of coverage is one that enables the Legislative Assembly to oversee government activities. This requires us to deliver a full portfolio of audits and reviews, not only in terms of government sector coverage, but in terms of the types of audits we provide; financial, operational and compliance. We face a number of challenges in getting there, and these are reviewed below.

Challenge #1: Providing the Range of Audit Information Needed by the Legislative Assembly

The government collects and spends in excess of \$26 billion to deliver a wide range of programs and services—agriculture, fisheries, forestry, transportation, electricity, justice, environmental protection, to name a few—through its 23 ministries and its workforce of 38,000 people. It is also accountable for 55 Crown corporations and enterprises, 104 health entities, 89 education entities and 38 trust funds. The major sectors of government include:

- Health
- Social Services
- Education
- Protection of person and property
- Transportation
- Natural resources and economic development
- Other
- General government
- Debt servicing

Given their diversity and increasing complexities, it is essential that the Legislative Assembly receive information and assurance about the organizations and programs that work in these sectors. Over the years, the Office has produced audits that spread across the sectors. However, the depth of coverage has been minimal, and significant programs can remain unexamined for long periods.

Since 1991 the government entity has expanded to include organizations not previously included, and the organizational complexity within that government entity has increased with the creation of new organizations that deliver new programs or programs previously delivered by others. For example, FRBC has been created, in part to deliver services previously delivered by the Ministry of Forests, and in part to deliver new programs. The number of trust funds has increased significantly. There are numerous other examples. The Legislative Assembly has a governance responsibility for all of government and we should deliver an adequate level of audit services in all these areas.

In the short run, given a funding increase of \$1.08 million we estimate is needed, we would increase our presence significantly in the following:

- Audits that evaluate controls in mission-critical systems, including information technology systems and controls
- Audits that assess risk management to determine whether programs can provide results reliably
- Audits that assess whether government programs are delivered economically, efficiently, and cost-effectively
- Audits that focus on environmental matters and environmental sustainability.

The benefits we see flowing from this additional work are that the Legislative Assembly, and the public, will receive better levels of assurance about the integrity of key controls and systems across government, and better information about the management and operation of key programs.

Challenge #2: Covering Key Systems and Functions

While preparing for Y2K computer problems, the government identified over 1,200 key information and control systems. Of these, 67 are mission-critical and another 539 are considered "business priority." The Legislative Assembly needs assurance about these systems, as they are the back-

bone of the operation of government. Appendix A identifies the government financial and information systems that are considered mission-critical. The focus of our work in recent years has been on the Corporate Human Resource Information and Payroll System (CHIPS), the Corporate Accounting System (CAS) and the Y2K issue. As our current resources are primarily devoted to financial statement and performance audits, our audit coverage of these key systems has been thin.

In addition to control systems, there are key functions which are common to all government organizations, for example human resource management. We have launched a program of audits of management of human capital in recent years. We reviewed executive severance practices, and published a landmark study of human capital and training and development in August 1999. However, given that salaries and benefits represent \$2.6 billion of direct government expenditures, and that employees are the primary determinant of operational effectiveness, we feel human resource management in the public service needs more audit attention.

Challenge #3: Alternative Delivery Systems, and an Increasing Number of Government Organizations

Government is increasingly delivering many of its programs and services through private sector or non-profit agencies, or through local authorities. For example, there has been extensive devolution of service delivery in the health and social services sectors. Also, services are increasingly being delivered through Crown corporations, which have received relatively little audit attention compared to ministries.

Public/private partnerships are an increasing phenomenon across the world, and British Columbia has moved in that direction. These involve joint administration of programs by government and program stakeholders, with the intent of reducing regulatory burden and taxpayer cost, while maintaining the integrity of the programs.

It is also expected that the BC government will make increasing use of e-commerce solutions in running its business affairs. Just as private sector internet-based sales are expected to explode in volume over the next ten years, so it will likely be with government services. Users of these services will require assurance about security.

In recent years, the government has created many new organizations, resulting in a heavy demand for additional financial audit. For example, the number of new Crown corporations, investment pools and trust funds run by government has increased the number of audit entities we audit by 100% in the last six years.

All of these changes have significant accountability and audit implications. The Office will need to acquire the skills and resources to deal with them.

Meeting the Challenges

We have responded to these challenges in three major ways:

- Strategic project selection and resource allocation
- Use of private sector auditors for financial statement audits
- Leveraging our methodology development through coordination with national bodies and legislative offices

However, we have gone beyond the limits of these responses. The Office's capacity to maintain a credible audit presence has diminished. This threatens our ability to remain relevant to the needs of the Legislative Assembly in the next decade.

Strategic Project Selection and Resource Allocation

Our resource base is miniscule when compared to the size of government and the number of organizations and programs in place. Consequently in selecting audits we apply our resources in a way that maximizes the value of our work for legislators. Our project selection framework is designed to achieve a reasonable balance in the nature of the audits we carry out.

Financial Statement Audits

The Auditor General is required by legislation to examine the accounts and records of government and to report annually to the Legislative Assembly on the government's financial statements. The Auditor General is also the appointed auditor of many of the Crown corporations and other government organizations. The financial statements of the remaining government organizations are audited by private sector auditors. Under our Memorandum of Understanding with

the Minister of Finance and Corporate Relations, the rationale for choosing audits is as follows:

- The Consolidated Revenue Fund is audited by the Auditor General.
- Government organizations that are fully consolidated are audited by private sector firms engaged by the Auditor General on an agency basis. The Auditor General audits a few of these on a cyclical basis to maintain expertise.
- Government enterprises accounted for by using the modified equity method are audited by private sector firms. A few of these enterprises are audited by the Auditor General to maintain expertise.
- The Auditor General audits almost all trust and pension funds administered by the BC Government.

Internal Control Reviews

The objective of our internal control work is to undertake an assessment of the state of control over financial transactions throughout government in order to support the Auditor's Report on the financial statements. Much of the focus of our work in recent years has been on the government's Corporate Accounting System, Year 2000 and the Corporate Human Resource Information and Payroll System.

Performance and Compliance Audits

Our project selection framework for performance and compliance audits covers three significant areas:

- Government activities
- Current interests of legislators and the public
- Cross-government audits

Auditing significant areas of government activities results in a selection process that touches upon all of the following:

- Expenditure functions
- Government organizations
- Program types
- Audit types

The Expenditure Functions

Government, in its Public Accounts for the Province, categorizes its activities this way:

- Health
- Social services
- Education
- Protection of persons and property
- Transportation
- Natural resources and economic development
- Other
- General government
- Debt servicing

We use these categories in our project selection and monitoring.

In order to provide audit coverage across the whole of government, we have set as our objective one audit per year in health and education, and a minimum of one audit in the remaining expenditures of government over a six year period.

The table below shows the number of audits we have carried out, by sector, over a five year period.

Number of Direct Audits Carried Out, by Sector 1993/94 to 1998/99	
Sector	Number of Audits
Health	6
Social Services	3
Education	2
Protection of People & Property	11
Transportation	5
Natural Resources & Economic Development	7
Other	9
General Government	40
Debt Servicing	6

Historically, we have focused more on government ministries than on Crown corporations and funded agencies, such as school districts and regional health authorities. However these account for a considerable amount of

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Other	9
General Government	40
Debt Servicing	6

Historically, we have focused more on government ministries than on Crown corporations and funded agencies, such as school districts and regional health authorities. However these account for a considerable amount of

government's economic, social and environmental activity. That is why our project selection framework calls on us to examine some aspect of at least one Crown corporation and funded agency each year.

As for program types, most government activity is for expenditures, such as direct service delivery or grants, and for asset management. Consequently, our intent is to carry out a minimum of one audit in these two areas annually. We will also select one regulatory, liability management or revenue program for audit coverage each year, as we believe that these audits provide legislators with valuable information.

The focus of these audits can vary but generally covers:

- Governance and accountability
- Economy and efficiency
- Administrative effectiveness

Use of Private Sector Auditors for Financial Statement Audits

Under the terms of the Memorandum of Understanding (MOU) with the Minister of Finance and Corporate Relations, we have devolved many financial statement audits to private sector auditors. They may be employed in two ways: as agents, employed under contract by the Auditor General, and as auditors of the organizations, contracting directly to those organizations. In either case, the Auditor General has two key responsibilities: to oversee the audits conducted by private sector firms; and to keep sufficiently involved so as to be able to report on any matter that should be brought to the attention of the Assembly.

The MOU with the Minister of Finance, which was signed May 1, 1995, represented a strategic effort by the Office to optimize the use of our resources, through rationalizing our audit coverage. In each year we have continued to implement this memorandum.

Of the 114 entities reported in the 1998/99 Public Accounts of the Province, for example, we carry out 79 audits. Over the last few years, under the terms of the MOU, we have arranged nine of the 79 audits to be carried out by private sector auditors acting as our agents and have taken over three audits from the private sector. This arrangement has given us broader audit coverage in each sector of the government.

We do not plan to release or take over audits to or from the private sector in the 2000/01 year.

The Health Care Sector—An Illustration

This plan documents our limited coverage in each major sector of government. To illustrate what this can mean, the following shows an example of key information not reaching the Legislative Assembly in one of the sectors—health care. Similar limitations apply to legislative oversight of the enormous assets, revenues and expenditures in other sectors.

In 1998/99, \$7.6 billion was spent on health care services in the Province, approximately 31% of the government's resources. More than half is spent by regional health boards, community health services societies and health councils. Delivery of services was first undertaken by these organizations in 1997. This was the second major restructuring of the sector in five years. In 1992, the government implemented its "New Directions" initiative in response to the Royal Commission report. Recent commentary in the media, and other sources, indicate that significant management and accountability problems exist in the system.

Given our audit resources—and the need to cover many other aspects of government's performance—we are limited in our ability to audit in the sector. A typical performance audit in the sector takes 12-18 months to complete with a team of two auditors. At present, we can devote only one team each year to health sector issues. Increasing our audit coverage in this area, without increasing our resources, would mean dropping other audits in other sectors of government.

Our financial audit presence in the health care sector is minuscule. Of the 51 local health authorities and councils created under devolution, we audit two. Our lack of resources limits our ability to provide adequate oversight for other health organization audits. As a result, we are unable to provide assurance that adequate financial controls are in place in these new organizations.

We believe an increased audit presence is needed in the health care sector to address issues such as:

- The resource allocation process
- Measuring the cost and effectiveness of services
- Accountability
- Integrity of financial and management controls
- Waiting list and access management
- Governance and management direction
- Human capital
- Organizational capacity measurement
- Information systems management
- Capital asset management

Leveraging our Methodology Development through Coordination with National Bodies and Legislative Offices

The role of legislative auditors is changing. Driven in part by public expectations, and by legislation, auditors are taking a more active role in reporting on the operations of government. Assessing and reporting on the actual results of governments delivering their programs and services, including the proper conduct of public business, is just one aspect of this evolution in BC.

Recent legislative requirements are imposing new tasks on the Office. For example, legislation, to be in force by February 2000, will require the Auditor General to review and report on the performance reports of the Office of the Public Guardian and Trustee. This will require new audit methodology—one that will focus on the means for attesting to results-based information—and staff who are sufficiently trained in the methodology.

Also, the Royal Commission on Workers' Compensation in BC has recommended that all performance information contained in the annual report of the Workers' Compensation Board be reviewed and attested to by the Office. Similarly, the government's advisory panel, the Budget Process Review Panel, which reported in September 1999, made two key recommendations that will directly affect the Office. First, it recommended that legislation provide the Auditor General with enhanced authority and responsibility to influence the interpretation of accounting policy. Secondly, it recommended that legislation be passed requiring both the government and the Office of the Auditor General to report annually to the Legislative Assembly on the implementation of the Panel's report.

As discussed earlier in the plan, changes in government business methods are also providing challenges to auditors. We need to ensure our audit methodology continues to change to meet these challenges.

The office has developed considerable expertise in audit methodology, through its audit work, and its work on accountability. However, there are limits to what a small, provincial audit office can accomplish. We have embarked on a strategy of coordinating with national bodies such as the Institute of Chartered Accountants, CCAF (formerly Canadian Comprehensive Auditing Foundation), the Institute of Public Administration of Canada, and the Canadian Council

of Legislative Auditors, to contribute to their research, and to encourage development of national standards.

Many governments are working to improve the performance information they provide to citizens, service users and taxpayers. However, they face considerable uncertainties regarding non-traditional reporting. There is a need to find consensus about what should be reported. We have worked with Canada's other legislative auditors, to formulate reasonable, practical principles for performance reporting.

CCAF recently launched a program of research, capacity development and knowledge-sharing to help governments improve public performance reporting. The ideas put forward in the audit offices' discussion paper is serving as a reference source for meetings and workshops that form part of CCAF's program. We will continue to provide advice to the CCAF regarding their program over the next three to five years.

Updating the Auditor General Act

Our legislation needs updating to reflect developments since the time of the original Act in 1976. We need to have our legislated mandate modernized to reflect the range of audit services and reports we offer, to reflect the new financial statements of government, to buttress our operational independence from the government of the day, and to provide for better oversight and accountability of the Office.

Many developments have occurred in the public sector since our legislation was passed in 1976. Legislators and the public still want to know about the government's finances, but they also want to know that government is operationally effective, and in compliance with legislation. Operational, financial and compliance auditing is the means by which we can provide the Assembly with the information it needs. While our Act is worded broadly enough to permit this kind of work, the language is often open to interpretation and debate. The authority to conduct such audits needs to be clarified.

A final but significant concern is the way in which our resources are determined. Although the Auditor General works solely for the Legislative Assembly, the government makes decisions about our funding. The Auditor General Act requires us to submit our funding requests to Treasury Board, a committee of the Cabinet, rather than to the Assembly or one of its committees. It is Treasury Board, an arm of government, which decides how much of our request will

be included in the annual estimates and budget presented to the Assembly. This represents a potential conflict of interest for the government. We believe our independence would be strengthened if the budget and business plans of the Office were reviewed by a committee of the Legislative Assembly, such as the Public Accounts Committee.

We have drafted legislation that addresses the concerns we have raised, and we are prepared to submit it to the Assembly for consideration.

In late 1999, we commissioned an independent panel of prominent experts to review our proposals for a new Act. That panel is expected to deliver its opinion at the end of January 2000.

We have also taken steps to have our business plan and previous year's annual report discussed with the Select Standing Committee on Public Accounts.

Managing Our Human Capital

Over the next ten years, the BC public sector will face severe labour shortages. In that time retirement rates are expected to triple. Combined with a general aging of the population, the number of seasoned employees leaving the public sector will exceed the number of younger workers moving in. There will likely be considerable competition among government organizations for qualified and trained public servants. Also, the accounting profession is experiencing a reduction in the number of new entrants.

The next five to ten years will see key personnel in our executive and middle management positions retire, taking with them extensive public sector auditing and Office management expertise.

We are also having difficulty attracting entry-level accountants, as the job market has become increasingly competitive, and government salaries fall behind those of the private sector for the profession. Over the year ended December 1999, we conducted five recruitment initiatives, but hired only three qualified candidates. Several offers of employment were refused by candidates who found better offers elsewhere. Our salary levels appear to be about 15% behind private sector audit firms. Feedback from candidates indicates that the poor reputation of the BC public sector as an employer has also acted as a deterrent to young candidates.

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We have, to some extent, addressed this issue by establishing ourselves as an approved training office. Each fall we recruit eligible candidates interested in obtaining either a CA, CGA, or CMA designation to train in our Office. As qualified accountants, several of our graduating students accept positions with us, but many also leave. In 1999, for example, staff turnover reached 28%. Turnover of financial audit staff was 40%, with student turnover reaching 48%. Many of them left the Office to accept jobs outside the British Columbia public service, reducing the "spin-off" benefit we have traditionally provided to government by being a source of financial accounting and management expertise.

These developments place the human capital of this Office at risk. We will begin to address the issues in the coming year by developing a comprehensive human resources strategy that will include recruitment and retention, morale and motivation, training and development, and working environment. However, resource constraints and other external factors will significantly limit our ability to deal effectively with these issues.

Human Capital Data for the Office of the Auditor General

Number of FTEs (projected 2000/01)	84
Average training and development hours for staff (1999/2000)	26.6
Staff Turnover (1999)	28%
Student Turnover (1999)	48%
Number of Hires (1999)	19
Number of exits	24
Number of staff with an accounting designation:	52
Staff with Certified Management Consultant (CMC) designation:	7
Number of Accounting students:	13
Age range of staff:	23-64
Average age of staff classified at MLS and above:	52
Number of staff eligible for retirement within 5 years:	25



We have, to some extent, addressed this issue by establishing ourselves as an approved training office. Each fall we recruit eligible candidates interested in obtaining either a CA, CGA, or CMA designation to train in our Office. As qualified accountants, several of our graduating students accept positions with us, but many also leave. In 1999, for example, staff turnover reached 28%. Turnover of financial audit staff was 40%, with student turnover reaching 48%. Many of them left the Office to accept jobs outside the British Columbia public service, reducing the "spin-off" benefit we have traditionally provided to government by being a source of financial accounting and management expertise.

These developments place the human capital of this Office at risk. We will begin to address the issues in the coming year by developing a comprehensive human resources strategy that will include recruitment and retention, morale and motivation, training and development, and working environment. However, resource constraints and other external factors will significantly limit our ability to deal effectively with these issues.

Human Capital Data for the Office of the Auditor General

Number of FTEs (projected 2000/01)	84
Average training and development hours for staff (1999/2000)	26.6
Staff Turnover (1999)	28%
Student Turnover (1999)	48%
Number of Hires (1999)	19
Number of exits	24
Number of staff with an accounting designation:	52
Staff with Certified Management Consultant (CMC) designation:	7
Number of Accounting students:	13
Age range of staff:	23-64
Average age of staff classified at ML5 and above:	52
Number of staff eligible for retirement within 5 years:	25

Part II—Operating Plan

In developing our Operating Plan for the Office, we are guided by our 1999–2002 Corporate Plan. This plan sets out the three Core Activities of our work:

- Assessing government accountability and performance
- Advising on government accountability and performance
- Performing effectively as an Office

It is important to note that the objectives presented in this section of plan are based on the present level of funding for the Office and do not address the strategic deficits in audit coverage.

Summary of Operating Plan	
Core Activity	Ongoing Activities, 2000–2001
Assessing government accountability and performance	■ Audit the Summary and Consolidated Revenue Fund financial statements ■ Audit the Provincial Debt Report statement ■ Audit the Chief Investment Officer's assertion of controls ■ 99 financial statement audits ■ 9 financial statement audits by private sector auditors (OAG oversight role) ■ ongoing direct audits/reviews of government's operations ■ 3 follow-up audits; 7 underway ■ Continuing development of audit methodology
Advising on government accountability and performance	■ Recommendations arising from audits ■ Accountability framework implementation ■ Other advisory services
Performing effectively as an Office	■ Work to have a legislated mandate that provides for effective audit coverage of the BC public sector, and an independent Office ■ Protect and enhance our human capital ■ Manage our affairs effectively and with integrity ■ Provide staff with the working environment, tools and information required for their work

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Core Activity: Assessing Government Accountability and Performance

Attest Audits

Approximately 52,000 hours of staff time will be devoted to financial statement audits throughout the year, at a cost of approximately \$2.2 million. In addition, we will undertake attest audits (audits of management reports, rather than direct reports by the Office) of 1,500 hours, at a cost of approximately \$83,000.

We cannot complete all the audits that are required with our staff alone. In the 1998/99 period, approximately 67% of the BC government organization's financial statement audits were conducted by staff of the Office; the remainder were carried out by private sector auditors, either under contract with the entity being audited or as agents of our Office. For the 2000/01 period, we expect these figures to remain unchanged. A summary of BC public sector organizations, and who audits them, is set out in Appendix B.

Direct Audits and Reviews

We provide the Legislative Assembly with information about the operational management of government, including audits of compliance with legislation and related authorities. These audits are usually direct audits, where the auditor compiles and reports on the information, rather than attesting to the fairness of information provided by management.

Approximately 31,000 hours of staff time will be devoted to direct performance, compliance, and other audits and reviews throughout the year, at a cost of approximately \$1.7 million.

At the time of writing of this plan (December 1999), the following direct audits and reviews were in planning or in progress:

- Absence Management in the Public Service
- An Audit of Information Systems Management
- Annual Report Review
- Availability and Use of Health Information for Decision-Making
- Consulting Services to Government: Contract Tendering
- Education—Creating a Safe Learning Environment

- Financial Institutions Commission: Monitoring Trust Companies and Credit Unions Operating in British Columbia
- Managing Fire Risks in Interface Zones
- Public Service Renewal

Other audit and review projects will be undertaken and/or in progress during the year, as resources are made available, and as topics of importance to the Legislative Assembly emerge.

Core Activity: Advising on Government Accountability and Performance

Our advisory work falls under three main headings: audit recommendations, research and advice on performance reporting and accountability, and management advisory services.

Audit recommendations: Our audits of government's accountability and performance include recommendations and advice for improving the way programs are managed and reported on. We also monitor the extent to which our recommendations are implemented by government.

Research and advice on performance reporting and accountability: We believe that we can help narrow the gap between the type of information the Assembly needs and the information government provides. We do so by working to develop principles and guidelines for publicly reporting on the government's operations, its financial results, and compliance with legislation. These are contained in the Accountability Framework, published jointly by the Office and the Deputy Ministers' Council in 1996. Work on implementation of the framework has been continuing since then.

Management advisory services: We also respond to requests from government managers for our advice in areas such as control systems, management, governance and accountability practices. We are often approached by government managers because of the specialized knowledge and expertise that our staff have developed, as well as our reputation for objectivity and independence. We only accept work on a full recovery basis, and provided it does not compromise our ability to audit in any way.

Overall, our advisory work as described above will consume approximately 6,000 staff hours at a cost of approximately \$300,000, or about 3% of office expenditures. This figure is somewhat understated, as much of our audit

work is targeted toward development of recommendations based on our findings.

In the 2000–2001 period, we will continue with our accountability work. We will audit the broader performance information that is now being provided by the college sector on the outcomes it has achieved. We will continue our work on the accountability framework, by monitoring implementation progress and offering advisory services based on the framework on a request basis. We will continue our involvement in the CCAF program, as needed. We will continue to accept requests from management for advisory services, providing they meet office guidelines, on a cost recovery basis.

Core Activity: Performing Effectively as an Office

Our ability to provide quality audits, assessments and advice is highly dependent on being an effective, well-performing organization. Our goal is to maintain or enhance the organizational capacity of the Office in the following key areas:

Management Direction

This includes executive management of the Office, and the work and expenses of the Auditor General. The activities encompass a wide range of duties, including:

- Planning and direction
- Monitoring performance and oversight of the Office
- Liaison with national bodies and legislative offices
- Liaison with Public Accounts Committee
- Liaison with auditee governance and management
- Speaking and other engagements representing the Office

Human Capital

As discussed above, managing our human capital is a major strategic challenge facing the Office. Our activity plan for the year includes the following elements:

- Development of a comprehensive human resource strategy to protect and maintain our human capital
- A targeted recruiting and selection plan to replace exits
- A comprehensive training and development plan, based on competencies, and increasingly focused on succession planning

- Delivery of our performance reporting process, which includes an annual appraisal based on competency requirements
- Advice and counselling services for staff
- Student development and retention
- Continuing monitoring of internal working environment issues

Performance Management and Accountability

This activity includes the following elements:

- Tracking project cost and completion
- Identifying key performance measures
- Data gathering and analysis
- Preparation of annual report and business plans

Our major goals in this area include: upgrading our costing system to make it more timely and useful to management and staff, production of reports to deadlines, and working in concert with audit offices around the world on audit outcome measures.

Efficiency and Productivity

This activity includes:

- Periodic reviews of audit methodology
- Reviews of support services

Our goal for 2000/01 is to work with other legislative audit offices to identify and implement benchmarks that reflect comparable costs, while allowing for variations in programs and circumstances. We will continue to monitor workloads and identify opportunities for cost reductions in our processes.

Financial Controls

This activity provides the internal financial reports for the Office, as well as revenue and expenditure processes, and asset management. Our major goal for 2000/01 is to introduce an enhanced accounting system based on the Oracle system currently being piloted in government.

Information and Systems

This includes the provision of hardware and software, network services, and protection of the integrity of the systems from hackers and virus threats.

Our goal in this area continues to focus on reliable, safe systems that enable our audit units to achieve their goals. We will also complete development of an intranet, to enhance cross-office communication and knowledge management. Our estimated capital expenditures for software and hardware for the year 2000/01 is \$172,000.

Risk Management

Our goal in this area to maintain and develop our Business Continuation Plan, and to research prevention measures to reduce the impact of a major disaster such as loss of our building. We also work actively on staff health and safety issues.

Quality Assurance

We manage our quality assurance through our systems of review and challenge which are internal to the audit processes. We also get assurance from periodic practice reviews by the BC Institute of Chartered Accountants. Our goal for the year is to conduct a review of our processes to ensure they maintain quality while reducing rework and maintaining efficiency.

Building Operation

We liaise with BCBC to ensure our building is secure, well maintained, and that it provides a comfortable physical working environment that enhances job satisfaction and productivity.

Communications

Our communications goals are to enhance our ability to communicate with the Legislative Assembly, and to improve our audit "products." During the year we will review the quality and effectiveness of our reporting. We will also continue development of our website, which has recently received between 6,000–10,000 accesses per month. This has contributed to a reduction in our publication costs.



accountability of the office of the auditor general

This business plan outlines our strategic and operational priorities for the year 2000/01. This section lists the information and performance measures we have identified to help assess our progress in achieving those priorities.

Audit offices around the world have been conducting research on how best to measure their performance. There is much work to be done, especially on audit outcomes. Over the next several months, we intend to develop and refine the proposed information set out below, for use in our annual reports in the future.

Section 1. Context

- Mandate—the Auditor General Act
- Mission, Vision, Values
- Needs Assessment
- Independence
- Strategic Objectives
- Relationship with PAC
- Definitions of Audits

Section 2. Resourcing

- Annual Appropriation
- Revenue and Recoveries
- Staff Hours, by type of audit (direct/attest), and by non-audit
- Audit Costs: salaries, travel, consulting and other direct costs
- Overhead costs, e.g. for building occupancy, computers, etc.

Section 3. Organizational Capacity

- Coverage of the Audit Universe
- Human Capital

Section 4. Audit Activities and Outputs

- List of financial statement audits undertaken by the Office
- List of financial statement audits undertaken by OAG agents

- List of other attest engagements
- List of direct audits and reviews, including management letters
- List of management advisory services
- Assertion re Quality assurance/adherence to generally accepted auditing standards/professional standards
- Statutory deadlines met
- Average interval between management sign off of statements and delivery of audit opinion
- Average/range of cycle time for direct audits

Section 5. Outcomes

Immediate Outcomes

- Summary of "clean" v "qualified" audit opinions, common issues arising
- MLA assessment of the assurance they derive from OAG attest audit opinions
- MLA assessment of the information they receive about government performance and accountability practices
- Acceptance of OAG reports and recommendations by PAC
- Acceptance of OAG reports by management directly affected by the reports
- MLA and management assessment of the relevance (mix, materiality, timeliness) of the work undertaken by the Office
- MLA and management assessment of the independence, fairness and professionalism of the Office
- MLA and management beliefs about the role of the Office as a deterrent to fraud, waste and abuse in the system
- Data on placement of OAG alumni across government (measure of OAG as a source of financial, accounting, and management expertise within government)

Intermediate Outcomes

- Implementation of recommendations
- Assessment of extent of change flowing from audit reports
- Cost savings attributable to audit reports

Ultimate Outcomes

- No measure proposed



appendix a

Financial and Management Systems Considered Mission-critical

Ministry/Project	Description
Attorney General	
Electronic Monitoring System	Used as an alternative form of adult custody. The system electronically monitors a person's presence or absence at a specific location 24 hours a day.
Building Security Control System	Used to control security doors and lock-up in B.C. Corrections facilities.
Protection Orders System	Provides access to civil and criminal protection orders 24 hours a day, 7 days a week, for police officers throughout B.C.
Family Maintenance Enforcement Program	Monitors and enforces Maintenance Orders that require separated or divorced partners to continue providing financial support to their families.
Computer Assisted Trial Scheduling	Used by Supreme Court Trial Coordinators in scheduling Supreme Court trials.
Crown Counsel System	A case tracking and charge approval system for the Crown Counsel Offices.
Canadian Police Information Centre Interface	Used by law enforcement agencies to query driver's licence and vehicle information from ICBC.
Justice Information System	A case tracking and charge approval system used by law enforcement agencies, Crown Counsel and Court registry staff to track the progress of criminal cases through the justice system.
Corrections Case File	An Integrated Corrections Branch operational system that supports the management of inmates and offenders who are under custodial or community supervision or assessment for court purposes.
Automated Case Tracking	Used by law enforcement agencies, Crown Counsel and Court registry staff to track the progress of criminal cases through the justice system.
Traffic Court	Used to track traffic charges and fines and to assist in scheduling traffic court cases.
Accounts Receivable and Collection	Used to record assessment and collection of fees, fines and court charges against individuals and corporations who owe a debt to the Province.
Jury Administration	Used to summons citizens for jury selection.
Risk Needs Assessments	Used to identify an offender's likelihood to re-offend, the appropriate custody or supervision level, the factors contributing to criminal conduct, and a focused offender management plan.

Ministry/Project	Description
Attorney General (continued)	
Automated Land Titles System	System by which the Crown guarantees title to the land.
Children and Families	
Medical Devices	Include oximeters, feeding pumps, etc. for individual clients.
Heating, Ventilation and Air Conditioning Systems, Intrusion and Fire Alarms and Electronic Locks in Facilities	Building systems for security and health.
MIS Social Workers System	Three sub-systems that provide different functions for social workers.
After Hours/Community Information	Enables ministry and agency staff to formally alert After Hours staff about a situation with a child or family that may require their attention after the office is closed or over the weekend.
Energy, Mines and Northern Development	
Mineral Tax/Resource Revenue	Ensures that coal and mineral taxes are calculated and verified, and that payments are collected.
Mineral Land Tax	Ensures that mineral land tax is calculated, collected and verified.
Royalty Management	Ensures that petroleum and natural gas royalties and freehold production taxes are calculated, collected and verified.
Environment, Lands and Parks	
Water Quality Data Management	Captures and stores water quality data from automated monitoring stations established around the Province.
Environmental Monitoring	A data capture and retrieval system, designed to store results of physical, chemical and biological analysis performed on air, water and solid discharges at waste discharge sites and monitoring locations throughout the Province.
Air Data Management	Automated retrieval and messaging system for continuous data gathered from air quality monitoring stations.
Water Rights Information	Provides the ability to issue, locate, report and bill water licences.
Finance and Corporate Relations	
Cash Flow Management	Facilitates the cash management process of managing cash inflows and outflows to maximize earnings, minimize borrowing costs and ensure liquidity on the Province's consolidated bank balances.
Investment Portfolio	Records the investments of the Province and various pension clients. Failure of this system could lead to political embarrassment and/or the potential inability to invest funds efficiently and effectively.

Ministry/Project	Description
Finance and Corporate Relations (continued)	
Liabilities Management	Manages the debt servicing payments associated with the debt portfolio.
Loan Administration	Provides loan administration functions for various government loan portfolios. A large component of this system is the collection activity of defaulted loans.
Revenue Income Tax	Registers companies and collects taxes for corporate capital, fire, insurance, logging, mining and corporate income tax.
Real Property Tax	Administers rural area property taxation, billing and receipts for the Province and local governments.
School Tax Accounting and Reconciliation	Administers provincial school taxation levied within municipalities.
Corporate Accounting (CAS)- Central Generic Interface (CGI)	Single point of entry into government's accounting system for ministry programs. The majority of government's program payments are made through this interface.
Corporate Accounting System (CAS)	Government's accounting, reporting and financial management system. It currently processes general ledger, accounts payable and commitment management transactions.
Oracle Corporate Accounting	The foundation for an enterprise-wide financial information system.
Returns	Generates monthly returns to more than 90,000 vendors and operators registered under the Social Service Tax and Hotel Room Tax Acts.
BC Family Bonus	The information generated by the system must be passed to the Ministry of Social Development and Economic Security to be used to determine the income assistance monthly payment to families with children.
Electronic Deposit Interchange	A monthly electronic tax filing and remittance program routed through ITSD, which electronically edits incoming transmissions and sends back receipt acknowledgements.
Universal Contributor	A computer application used by the BC Superannuation Commission in tracking contributions and calculating pension benefits for members of eight pension plans in the Province's public sector.
Forests	
Harvest Database and Billing-MVS	Tracks harvest billing.
Forests Tenure and Administration	Maintains and provides online support management of forest tenures and other land-based information.
Integrated Silviculture Information	Captures, organizes and processes land-based information required for silviculture management in each district office throughout the Province.

Ministry/Project	Description
Forests (continued)	
Accounts Receivable Management	Manages accounts receivable for the ministry.
Stumpage Appraisal and Scaling Administration	Determines stumpage rates to be charged on harvest lumber.
Harvest Billing-VM-HBS	Transmits data between government systems. The system must be operational to prevent a breakdown of the harvest database and billing.
Harvest Billing-VM-MBQ	A system critical to stumpage collection.
Health	
Medical Services Plan Revenue and Premium Billing	Assesses eligibility for benefits, enrolls BC residents for publicly funded health care, bills beneficiaries, maintains an accurate registry of clients and responds to queries.
BC Ambulance Service	Applications that support service delivery, management information and financial functions. Vehicles, emergency communications, medical monitoring and treatment equipment are also used.
Pharmacare	Pharmacare and PharmaNet link community pharmacies, hospital emergency departments and physician offices to a centralized database. They also interact directly with pharmacies to determine the contribution for eligible prescription drugs and designated medical supplies.
Liquor Distribution Branch	
Stores Data Collection	Supports the collection and processing of liquor store sales data.
Office of the Minister Responsible for the Public Service	
Personnel-CHIPS	Government-wide system that processes payroll for government employees and maintains human resource, leave and benefits information.
Social Development and Economic Security	
BC Benefits	Provides income assistance benefits to residents of B.C. who are eligible.
Daycare	Provides a subsidy for childcare services to qualifying parents for the Child Care Subsidy Program.
Seniors Supplement	Issues payments to supplement the income of seniors receiving Old Age Security and the Guaranteed Income Supplement.
Small Business, Tourism & Culture	
Government Agents Revenue Management	Essential link in Government Agents delivering hundreds of services to British Columbians in communities across the Province.

Ministry/Project	Ministry/Project
Transportation and Highways Coquihalla Management Information/Point of Sale Development Approvals Oracle Corporate Accounting Contract Risk Management Riskmaster	Highway toll collection system used on the Coquihalla Highway. Investigates and issues approvals for property development on ministry right-of-ways. The main financial system used by the ministry. Software package that manages the ministry's insurance and claims operations.
Information Technology Services Division NT Platform Network Services Voice Services Electronic Mail Electronic Commerce/BC Online MVS Platform VM Platform VMS Platform UNIX Platform	Server for main desktop PC operating system. Operates the government data network. Government voice telephone system. Government e-mail system. BC OnLine provides businesses with electronic access to essential government information. Electronic Data Interchange enables the electronic exchange of essential commercial transactions. Central MVS data processing computers supporting mission-critical and business priority systems. Central VM data processing computers supporting mission-critical and business priority systems. Central VMS data processing computers supporting mission-critical and business priority systems. Central UNIX data processing computers supporting mission-critical and business priority systems.



appendix b

Government Entities and Trust Funds and Their Auditors

Government Entities

	Audited by	
	Auditor General	Private Sector Auditors
552513 British Columbia Ltd.	✓	
580440 B.C. Ltd.	✓	
B.C. Community Financial Services Corporation		✓
B.C. Festival of the Arts Society		✓
B.C. Games Society		✓
B.C. Health Care Risk Management Society		✓
B.C. Pavilion Corporation		✓
BC Society for the Distribution of Gaming Revenue to Charities	✓	
BC Transportation Financing Authority	✓	
BCIF Management Ltd.		✓
British Columbia Arts Council ¹		✓
British Columbia Assessment Authority	✓	
British Columbia Assets and Land Corporation	✓	
British Columbia Buildings Corporation	✓	
British Columbia Enterprise Corporation	✓	
British Columbia Ferry Corporation		✓
British Columbia Health Research Foundation		✓
British Columbia Heritage Trust		✓
British Columbia Housing Management Commission		✓
British Columbia Hydro and Power Authority		✓
British Columbia Liquor Distribution Branch ²	✓	
British Columbia Lottery Corporation		✓
British Columbia Railway Company		✓
British Columbia Rapid Transit Company Ltd.		✓

	Audited by	
	Auditor General	Private Sector Auditors
British Columbia Securities Commission	✓	
British Columbia Systems Corporation		✓
British Columbia Trade Development Corporation		✓
British Columbia Transit		✓
Canadian Blood Services		✓
Columbia Basin Trust		✓
Columbia Power Corporation	✓	
Creston Valley Wildlife Management Authority Trust Fund	✓	
Discovery Enterprises Inc.		✓
Downtown Revitalization Program Society of British Columbia		✓
Duke Point Development Limited	✓	
First Peoples' Heritage, Language and Cultural Council		✓
Fisheries Renewal BC	✓	
Forest Renewal BC	✓	
Health Facilities Association of British Columbia	✓	
Homeowner Protection Office	✓	
Industry Training and Apprenticeship Commission	✓	
Insurance Corporation of British Columbia		✓
Legal Services Society	✓	
Oil and Gas Commission	✓	
Okanagan Valley Tree Fruit Authority		✓
Pacific National Exhibition		✓
Provincial Capital Commission	✓	
Provincial Rental Housing Corporation		✓
Rapid Transit Project 2000 Ltd.		✓
Science Council of British Columbia		✓
Tourism British Columbia	✓	
Vancouver Trade and Convention Centre Authority	✓	
Victoria Line Ltd.	✓	
West Coast Express Limited		✓

	Audited by	
	Auditor General	Private Sector Auditors
British Columbia Institute of Technology	✓	
Campbell River/Nootka Community Health Council	✓	
Coast Garibaldi Community Health Services Society	✓	
Kwantlen University College	✓	
Royal Roads University	✓	
SF Univentures Corporation	✓	
Simon Fraser University	✓	
Technical University of British Columbia	✓	
The University of British Columbia	✓	
University of Northern British Columbia	✓	
University of Victoria	✓	
University Foundations:		
Foundation for the University of Victoria	✓	
Simon Fraser University Foundation	✓	
The University of British Columbia Foundation	✓	
University of Northern British Columbia Foundation	✓	
Other Education and Health Sector Entities:		
Colleges and Advanced Education Institutes (20 entities)		✓
Community Health Councils (33 entities)		✓
Community Health Services Societies (5 entities)		✓
Health Care Organizations (13 entities)		✓
Health Regions/Regional Health Boards (11 entities)		✓
Regional Hospital Districts (39 entities)		✓
School Districts (60 entities)		✓

¹The entity's financial statements were unaudited.

²Branch of Ministry of Small Business, Tourism and Culture.

Trust Funds

	Audited by	
	Auditor General	Private Sector Auditors
BC Rail Ltd. Pension Plan	✓	
British Columbia Hydro and Power Authority Pension Plan		✓
British Columbia Investment Fund Ltd.		✓
British Columbia Public Service Long Term Disability Plan	✓	
College Pension Plan	✓	
Credit Union Deposit Insurance Corporation of British Columbia		✓
Members of the Legislative Assembly Superannuation Account	✓	
Municipal Pension Plan	✓	
Province of British Columbia Pooled Investment Portfolios:		
Active Canadian Equity Fund	✓	
Active U.S. Equity Fund	✓	
Asian Equity Fund	✓	
British Columbia Focus Fund	✓	
Canadian Money Market Fund ST1	✓	
Canadian Money Market Fund ST2	✓	
U.S. Dollar Money Market Fund ST3	✓	
Canadian Corporate Bond Fund	✓	
Construction Mortgage Fund	✓	
European Equity Fund	✓	
European Indexed Equity Fund	✓	
Fixed Term Mortgage Fund	✓	
Indexed Canadian Equity Fund	✓	
Indexed Government Bond Fund	✓	
International Equity Fund	✓	
Long Term Bond Fund	✓	
Managed International Equity Fund	✓	
Passive International Equity Fund	✓	
Pension Bond Fund	✓	
Private Placement Fund 1995	✓	

Private Placement Fund 1996
 Private Placement Fund 1997
 Private Placement Fund 1998
 Realpool Investment Fund
 S & P 500 Index Equity Fund
 Short Term Bond Fund
 TSE 100 Index Equity Fund
 U.S. Enhanced Index Equity Fund
 Public Service Pension Plan
 Teachers' Pension Plan
 Westel Telecommunications Ltd. Pension Plan
 Workers' Compensation Board of British Columbia
 Workers' Compensation Board Superannuation Plan

Audited by	
Auditor General	Private Sector Auditors
✓	
✓	
✓	
✓	
✓	
✓	
✓	
✓	
✓	
✓	
✓	
✓	



appendix c

Projected Operating Financial Statement Year Ended March 31, 2001

	2001	2000 (Budgeted)
	\$	\$
Source of Funds		
Appropriation	6,923,000	6,923,000
Recoveries	1,200,000	1,200,000
	<u>8,123,000</u>	<u>8,123,000</u>
Expenses		
Auditor General salary and benefits	188,000	181,000
Employee salary and benefits	5,849,000	5,955,000
Travel	288,000	262,000
Professional and special services	477,000	440,000
Data processing	129,000	129,000
General expenses	176,000	150,000
Public reports	142,000	133,000
Building occupancy charges	572,000	575,000
Data systems amortization	164,000	174,000
Training	81,000	67,000
Grants	57,000	57,000
Total Expenditures	<u>8,123,000</u>	<u>8,123,000</u>



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